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JUDD GREGG: WHY THE FISCAL COMMISSION'S PLAN IS THE WAY FORWARD

*By Judd Gregg
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After months of intense debate, the president's National Commission on Fiscal Responsibility and Reform has produced a plan to move this country, now lurching toward fiscal disaster, toward firmer economic footing.

As a member of this bipartisan commission and co-author of the Conrad-Gregg Bipartisan Fiscal Task Force legislation the panel is based on, I hope this plan will be supported. It should not be viewed as the ultimate solution. But it is a template for governance, something that has been sorely lacking as the country sinks deeper and deeper into debt.

For the past century, the United States has been the most exceptional engine of economic growth in the world. Little wonder that the world, and many in our own country, ask how America can be on the path to bankruptcy, with an unsustainable debt that threatens our global credit rating, the value of our currency and the well-being of future generations.

What happened? The answer is partly demographics, as the massive baby-boom generation retires and draws on big, open-ended entitlement programs that are already facing shortfalls. The bigger culprit is reckless spending beyond what we can afford. We are experiencing the largest expansion of the federal government in decades, and we are amassing a crushing debt that our children and grandchildren will be responsible for repaying.

As a consequence, the next generation will inherit a less prosperous and less secure nation, something that is antithetical to the American Dream. But there is little utility in continuing to talk about the problem.

This is the point at which we must stop discussing and start acting. The plan released Wednesday represents an opportunity to do what we were sent to Washington to do: keep the nation safe from harm and on sound economic footing. Many have lost sight of that second tenet, as the rush to fund every project and special interest has overtaken a common-sense grasp of fiscal responsibility.

If adopted, the plan would take steps to curb spending, reduce deficits by nearly \$4 trillion over the next decade, lower our debt-to-GDP ratio and move toward fundamental tax code reform. The plan will not win high marks from everyone. It is imperfect, but it represents the compromises that both political parties must be willing to make to reach a shared goal of fiscal health for our nation.

The plan falls short of permanently solving our problems, but that would be too much to ask of it. However, it proposes large reductions in discretionary spending, one of the drivers of our debt, paring outlays back to 2008 levels by 2013. We cannot continue to increase spending with no regard for the consequences, so while I would like to see additional reductions, this is a good first step.

Equally important, the plan puts the right focus on the tax reform debate, which should not be about whether to extend or end current tax rates for some people. Instead, the discussion should be about how to simplify an overly complex and outdated tax code to make it fairer, more efficient and more productive, so that lower marginal rates for individuals and corporations allow dollars to flow toward spurring the economic growth we so urgently need.

Unfortunately, significant health-care savings are missing from the plan; this is an issue that will have to be addressed soon. Even if all of the provisions are adopted and adhered to for the next 15 years, our national debt will be brought back down only to today's level - 60 percent of gross domestic product, which is far higher than the healthy average level of 35 percent, where it stood for the past 40 years.

Nonetheless, I support this plan, warts and all, because it sends a critical message to the American people, financial markets and the international community that the U.S. government is finally ready to act seriously, decisively and responsibly about our short and long-term fiscal crisis.

The importance of that message cannot be overstated. Americans rightly expect their elected leaders to govern responsibly in good times and bad. There are no easy fixes to our problems. They will not go away on their own, nor can they be taxed away. Our choices will be hard and sometimes very unpopular.

The good news is that we have a serious plan to address our issues. It is time to govern.

The writer, a Republican from New Hampshire, is the ranking Republican on the Senate Budget Committee and is a member of the National Commission on Fiscal Responsibility and Reform.

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